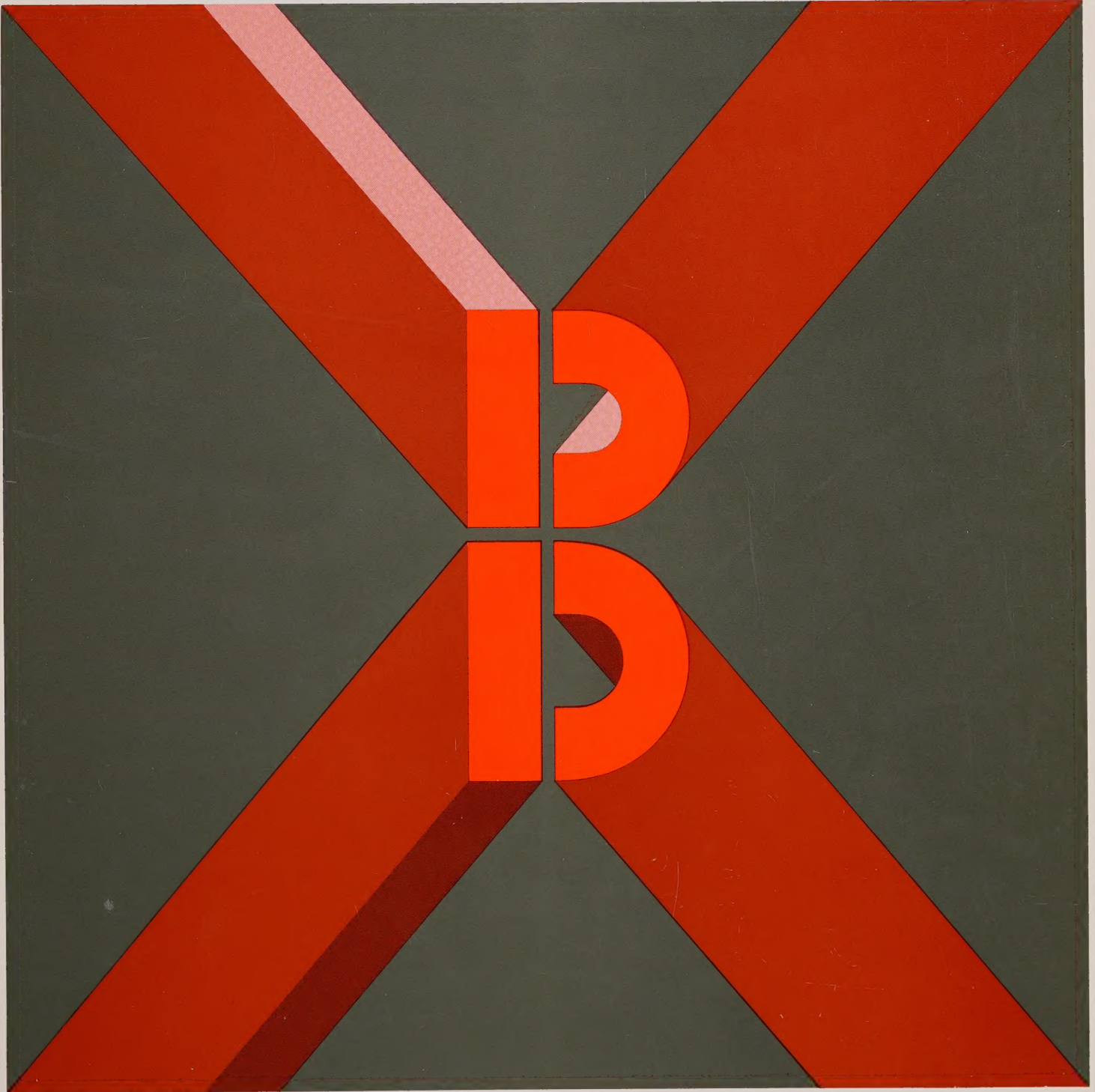


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City of Benicia
Solano County, California
\$2,500,000
Sewer Bonds of 1978
Series A



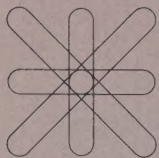
Sale: May 9, 1978
Bartle Wells Associates

78 03886

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CITY OF BENICIA
\$2,500,000 SEWER BONDS OF 1978, SERIES A

ADDENDUM TO OFFICIAL STATEMENT
DATED APRIL 18, 1978

THE BEHR TAX BILL

Another form of property tax revenue limitation is contained in Senate Bill No. 1, commonly known as the "Behr Tax Bill." The Behr Tax Bill as passed by the State Legislature and signed by the governor on May 3, 1978, will, among other things, substantially reduce property tax rates on owner-occupied dwellings and replace the lost property tax revenues of cities, counties and special districts with funds and specified social service programs of the state. Pursuant to a formula set forth in the Bill, property tax rates upon owner-occupied dwellings will be reduced to achieve a total tax rate reduction upon owner-occupied dwellings of 30 percent. The Behr Tax Bill also contains property tax rates and revenue limitations upon cities, counties and special districts. The maximum property tax revenues of cities, counties and special districts for any fiscal year, excluding certain rates and revenues permitted under certain limitations contained in prior law, may not exceed the rate and revenues of the preceding fiscal year, except as permitted by the application of an inflation factor. The Behr Tax Bill will become effective only if, on June 6, 1978, the voters approve a constitutional amendment (Proposition 8) permitting differential property taxation of owner-occupied dwellings, and either the voters defeat the Jarvis Initiative or the Jarvis Initiative is declared unconstitutional by the courts.

BUSINESS INVENTORY TAX REPEAL

On April 20, 1978, the Governor of California signed a bill eliminating property tax assessed against business inventories. The tax would be phased out over a five-year period by reducing current inventory tax 20 percent each year until 1982. There will be a simultaneous annual increase in the Bank Corporation Tax on profits, from the current 9 percent gradually to 10 percent.

This measure will take effect only if Proposition 13, the Jarvis-Gann Initiative, is defeated at the June 6 election.

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NEW ISSUE**Sale Date: May 9, 1978**

City of Benicia
Solano County, California
\$2,500,000 Sewer Bonds
Series A

The bonds described in the Official Statement are general obligations of the City of Benicia, a general law city of the State of California. Bond proceeds will be used to finance the local share of sewerage improvements. The city is empowered and obligated to levy ad valorem taxes annually on all taxable property in the city, without limitation as to rate or amount to secure payment of principal and interest on the bonds.

BONDS DATED: June 1, 1978**DENOMINATION:** \$5,000**DUE:** June 1, as shown below:**RATINGS:**

Moody's Investors Service, Inc. _____

Standard & Poor's Corporation _____

Year	Amount	Rate	Yield or Price	Year	Amount	Rate	Yield or Price
1980.....	\$ 25,000	%	%	1992.....	\$100,000	%	%
1981.....	25,000			1993.....	100,000		
1982.....	50,000			1994.....	125,000		
1983.....	50,000			1995.....	125,000		
1984.....	50,000			1996.....	150,000		
1985.....	50,000			1997.....	150,000		
1986.....	75,000			1998.....	150,000		
1987.....	75,000			1999.....	150,000		
1988.....	75,000			2000.....	150,000		
1989.....	75,000			2001.....	175,000		
1990.....	100,000			2002.....	175,000		
1991.....	100,000			2003.....	200,000		

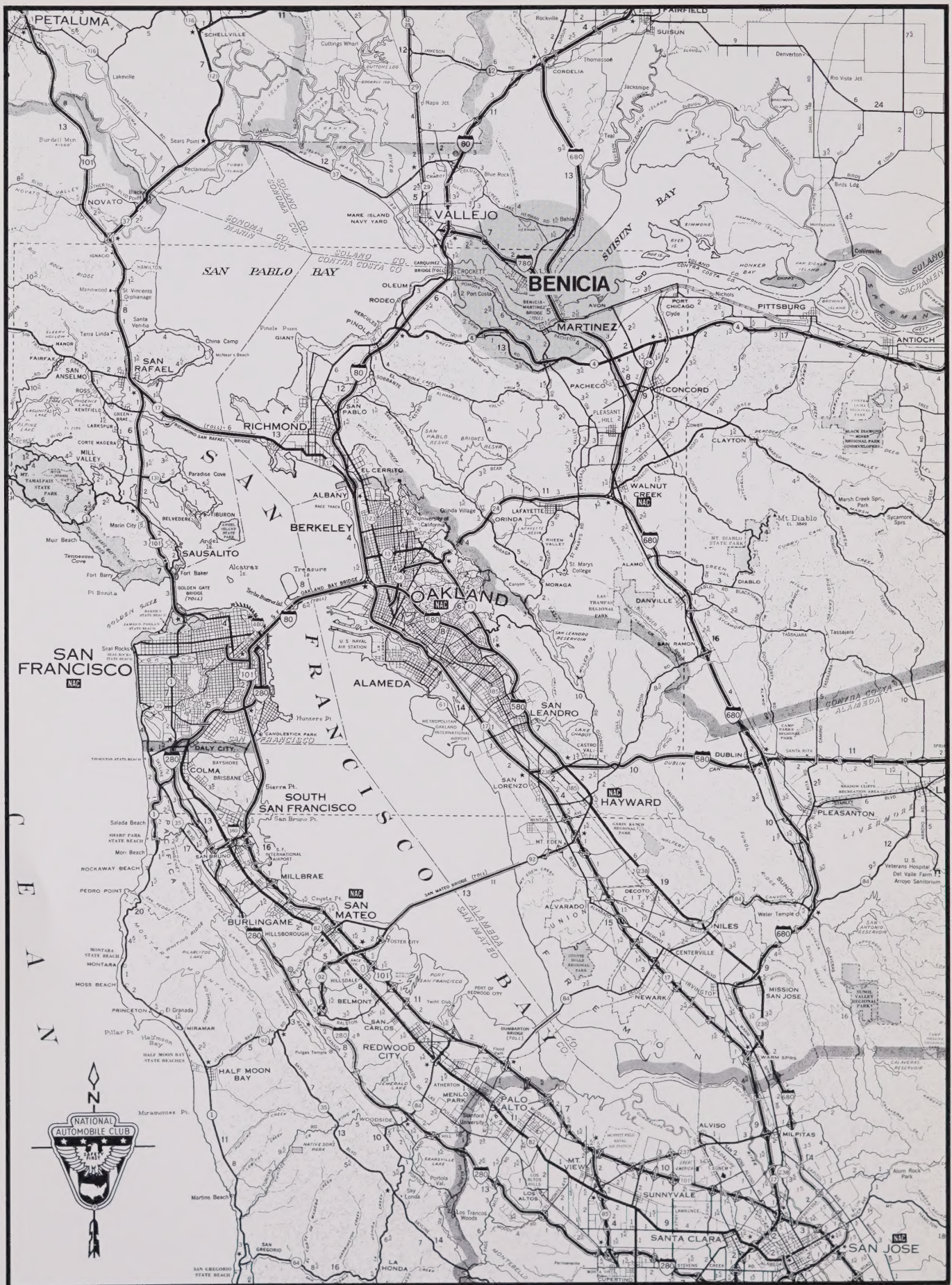
The bonds are coupon bonds, payable to bearer, registrable as to principal and interest only, with provisions for de-registration and reregistration. Principal is payable annually beginning June 1, 1980 and interest is payable semi-annually beginning June 1, 1979, both at the principal office of Bank of America, National Trust & Savings Association, San Francisco, California, or at the principal office of the city's co-paying agent in New York.

Bonds maturing on or before June 1, 1987 (bonds numbered 1-80) are not callable prior to maturity. Bonds maturing on or after June 1, 1988 (bonds numbered 81-500) are callable pursuant to the terms of the Official Notice of Sale, including payment of a premium.

The city is offering these bonds for delivery when, as, and if issued, subject to the legal opinion of Wilson, Morton, Assaf, & McElligott, bond counsel, San Mateo, California, approving the validity of the bonds and stating that interest on the bonds is exempt from present federal income taxes and from California personal income taxes under existing statutes, regulations, and court decisions.

Terms and conditions of the offering are fully set forth in the Official Notice of Sale dated April 18, 1978. Bids will be received on Tuesday, May 9, 1978 at Bartle Wells Associates, 100 Bush Street, 28th floor, San Francisco, up to 11:00 a.m. Pacific Time. Bids will not be accepted at less than par. Following acceptance of a bid, information on the bond coupon rates, reoffering prices, and bond ratings will be imprinted in the spaces provided on this page.

This page supplements the Official Statement dated April 18, 1978.



The City of Benicia is located in Solano County, California, on the shore of Carquinez Strait, about 35 miles northeast of San Francisco.
(Copyright National Automobile Club)

OFFICIAL STATEMENT OF CITY OF BENICIA

Solano County, California

CITY COUNCIL

Warren O'Blennis, *Mayor*

John F. Cody

C. Carsten Johansen

Roger E. Lipman

Mary E. McKay

Larry F. Pennell, *City Manager*

PROFESSIONAL SERVICES

Wilson, Morton, Assaf & McElligott, San Mateo,
Bond Counsel

Harris & Associates, Lafayette,
Engineer

Bartle Wells Associates, San Francisco,
Municipal Financing Consultant

This Official Statement provides information about the issuer and its bonds. The Official Statement includes:

1. Data supplied by the issuer and by others as indicated therein;
2. Estimates or projections which may or may not be realized and which should not be construed as assertions of fact; and
3. Summaries and descriptions of legal and financial documents, or their contents, which do not purport to describe such documents completely and which are made expressly subject to the full provisions of the documents cited.

The Official Statement does not constitute a recommendation, express or implied, to purchase or not to purchase these bonds or any other previous bonds of the issuer.

The date of the Official Statement is April 18, 1978.

Benicia -- Economic bonds.

Bonds -- CA -- Roseville

*Sewage disp. plants -- Finance -- CA --
Roseville*

Prepared on behalf of the issuer by

[BARTLE WELLS ASSOCIATES]

Municipal Financing Consultants

100 Bush Street, San Francisco 94104

(415) 981-5751

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INTRODUCTION

Issuer: The City of Benicia, a general law city, is in Solano County, one of nine counties comprising the San Francisco Bay Area. Benicia is about 35 miles northeast of San Francisco. Its estimated 1977 population is 11,500, and its 1977/78 assessed valuation is \$132,-247,300. Properties in California subject to general property taxation are assessed at 25 percent of market value.

Purpose: Bond proceeds will be used to finance the local share of the cost of sewage treatment plant improvements. Based on construction bids received on February 15, 1978, the improvements are expected to cost about \$9.7 million. The \$2.5 million in sewer bonds described in this Official Statement will finance the local share of the cost of the improvements as well as issuance costs for the bonds. Federal and state grants will finance the balance of the cost of the improvements.

Security: The 1978 sewer bonds are general obligations of the city. The city is empowered and obligated to levy ad valorem taxes upon all taxable property in the city, without limitation as to rate or amount, for payment of principal and interest on the bonds.

Limitations: Under current California law, Benicia's maximum tax rate is \$2.55 per \$100 A.V. The city's 1977/78 tax rate is \$1.75 per \$100. Taxes for general obligation bond service are not subject to this limit.

An initiative constitutional amendment, commonly known as the Jarvis-Gann Initiative, providing for,

among other things, certain property tax limitations, will appear on the statewide ballot in June 1978. The initiative would limit ad valorem taxes to 1 percent of market value, except to pay indebtedness previously authorized by the voters. Because of this exemption, the city believes that if the initiative is approved, it will not limit ad valorem taxes for the payment of the bonds and interest thereon. Property tax revenues of the city for other purposes would be sharply reduced.

The California legislature has adopted a property tax relief bill to reduce the likelihood of passage of the initiative.

Economic Factors: Benicia's largest industry is Exxon Company, USA. Exxon operates a 96,000 barrel-per-day refinery, employing 350 to 400 people. The refinery accounts for about 60 percent of the city's assessed valuation, and is the largest taxpayer in Solano County. The refinery is among the more than 100 businesses which are located in the Benicia Industrial Park. The Port of Benicia, adjacent to the industrial park, is the largest port facility in Solano County. Automobile imports from Japan account for a large share of the port's incoming cargo; petroleum products from Exxon are the port's only exports.

This introduction is not a summary of the Official Statement. Information presented in this section is treated more completely elsewhere in this Official Statement, which should be read in its entirety.

THE BONDS

\$2,500,000 City of Benicia 1978 Sewer Bonds, Series A (general obligation).

Denomination: \$5,000

Date: June 1, 1978

Estimated Annual Bond Service:

ESTIMATED ANNUAL BOND SERVICE \$2,500,000 CITY OF BENICIA SEWER BONDS OF 1978, SERIES A

Fiscal Year	Maturing June 1 Principal	Interest at 6½% ^①	Total Estimated Bond Service
1978/79.....	\$ —	\$ 162,500	\$ 162,500 ^②
1979/80.....	25,000	162,500	187,500
1980/81.....	25,000	160,875	185,875
1981/82.....	50,000	159,250	209,250
1982/83.....	50,000	156,000	206,000
1983/84.....	50,000	152,750	202,750
1984/85.....	50,000	149,500	199,500
1985/86.....	75,000	146,250	221,250
1986/87.....	75,000	141,375	216,375
1987/88.....	75,000	136,500	211,500
1988/89.....	75,000	131,625	206,625
1989/90.....	100,000	126,750	226,750
1990/91.....	100,000	120,250	220,250
1991/92.....	100,000	113,750	213,750
1992/93.....	100,000	107,250	207,250
1993/94.....	125,000	100,750	225,750
1994/95.....	125,000	92,625	217,625
1995/96.....	150,000	84,500	234,500
1996/97.....	150,000	74,750	224,750
1997/98.....	150,000	65,000	215,000
1998/99.....	150,000	55,250	205,250
1999/00.....	150,000	45,500	195,500
2000/01.....	175,000	35,750	210,750
2001/02.....	175,000	24,375	199,375
2002/03.....	200,000	13,000	213,000
	<u>\$2,500,000</u>	<u>\$2,718,625</u>	<u>\$5,218,625</u>

① Bond interest has been estimated at the annual rate shown. Actual coupon rates will be set by competitive bid, and are likely to vary from the annual rate estimated. As a result both interest and bond service are expected to differ from the annual amounts estimated.

② Funded from bond proceeds.

Interest: Coupons payable on June 1, 1979, and semi-annually thereafter on December 1 and June 1.

Redemption: Bonds payable 1980-87 (\$400,000 principal amount) not callable. Bonds maturing 1988-2003 (\$2,100,000 principal amount) callable as a whole or in part on any interest payment date prior to maturity on or after June 1, 1987, in inverse order of maturity and by lot within any maturity. Premium is ¼ of 1 percent for each year or portion of a year from date of redemption to date of maturity, with a maximum of 3 percent.

Registration: Coupon bonds registrable as to principal and interest only, with provisions for deregistration and reregistration.

Payment: At the principal office of Bank of America, National Trust & Savings Association, in San Francisco, or at principal office of co-paying agent in New York (except registered bonds payable only by Bank of America, National Trust & Savings Association in San Francisco).

Tax Status: In the opinion of bond counsel, interest is exempt from present federal income taxes and from California personal income taxes under existing statutes, regulations, and court decisions.

Authority for Issuance: \$3,000,000 general obligation bonds were authorized at a special municipal election November 2, 1976. Series A bonds issued pursuant to resolution of issuance adopted April 18, 1978, by the city council.

Purpose: Bond proceeds will be used to finance local share of the cost of sewerage improvements.

Security: General obligations of the City of Benicia. The city has the power and is obligated to levy ad valorem taxes upon all taxable property, without limitation as to rate or amount, for payment of principal and interest on the bonds.

Legality for Investment: The bonds are legal investments in California for trust funds, commercial banks, trust companies, and funds of insurance companies.

Additional Bonds: After the sale of the Series A Bonds, \$500,000 of general obligation sewer bonds will remain authorized but unsold. The city has no current plan to sell any of the remaining authorized bonds.

Contingent Fees: Bond counsel's fee is contingent upon the sale of bonds; financing consultant's fee is partially contingent.

SALE OF THE BONDS

The initial offering of these bonds is made in accordance with the Official Notice of Sale date April 18, 1978. Matters discussed in this section are expressly subject to the terms and conditions of said Official Notice, to which reference should be made for further detail.

LEGAL OPINION

The opinion of Wilson, Morton, Assaf & McElligott, bond counsel, of San Mateo, California, will be furnished to the successful bidder and printed on each bond at city's expense.

CLOSING DOCUMENTS

At the time of delivery of the bonds to the successful bidder, in addition to customary closing documents, the issuer will furnish the following documents.

- *Signature and No Litigation Certificate:* A certificate stating that the signatures on the bonds are authentic and duly authorized and that no litigation is pending or in progress concerning the validity of the bonds.
- *Certificate Concerning Official Statement:* A certificate, signed by a responsible official representing the issuer, to the effect that to the best of his or her knowledge and belief, and after reasonable investigation, (a)

neither the Official Statement nor any amendment or supplement thereto contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; (b) since the date of the Official Statement no event has occurred which should have been set forth in an amendment or supplement which has not been set forth; and (c) there has been no material adverse change in the operation or financial affairs of the district since the date of such Official Statement.

- *Arbitrage Certificate:* A certificate of the city that, on the basis of the facts and circumstances in effect at the time of delivery of the bonds, it is not expected that the proceeds of the bonds will be used in a manner that will cause the bonds to be arbitrage bonds.
- *Treasurer's Receipt:* The receipt of the city treasurer showing that the city has received the purchase price of the bonds, including accrued interest to the date of delivery, if any.

This clock tower building, one of several historic military buildings in Benicia, was an armory and gun emplacement location overlooking Carquinez Strait. It is on the site of the former Benicia Military Arsenal.



THE PROJECT

Bond proceeds will be used to finance expansion and upgrading of Benicia's sewage treatment plant. The existing primary treatment plant will be enlarged and new secondary facilities will be added. The project was designed by Harris & Associates, consulting engineers, Lafayette, California. The plant will handle an average dry weather flow of three million gallons per day, and will be expandable in the future to 4.5 million gallons per day.

Components of the project include the addition of one anaerobic digester, a solids handling building, an equipment building, and new administrative and laboratory offices. The project also includes additions to the existing outfall and diffuser. The plant will use rotating biological contactors as its secondary treatment process. It will treat domestic and industrial waste from the city and the Benicia Industrial Park, but will not treat any wastes from the Exxon refinery, which operates its own waste treatment facilities.

All required environmental studies have been performed, and the period for environmental attack on the project has expired. The Environmental Impact Report has been filed with the California Secretary of Resources and the Solano County Clerk.

PROJECT COSTS

The accompanying table summarizes project costs and funding. Construction bids were received on February 15, 1978. The low bid, submitted by Carl W. Olson of San Mateo, California, totaled \$8,378,071. The construction bid will be awarded simultaneously with the award of the bonds. Construction will begin about June 1, and take about two years.

Project costs total \$9,712,635, of which 89 percent is eligible for state and federal grants. The federal grant will equal 75 percent of the grant eligible amount; the state grant will provide an additional 12.5 percent of grant eligible costs. The city's local share consists of the remaining 12.5 percent of grant eligible costs, plus all ineligible costs. State and federal grants will provide about \$7,545,000. The local share is \$2,167,000 for construction and related costs. The city must also provide an allowance to cover any time lag between payments due

under the construction contract and the receipt of grant funds. The city has sewer fund reserves available to cover any cash flow shortfalls.

CITY OF BENICIA PROJECT COSTS AND FUNDING

Project Costs

Construction bid	\$8,378,071
Administrative expenses	65,600
Architecture and engineering.....	495,478
Contingencies	728,892
	<hr/>
	\$9,668,041
Grant processing fee.....	44,594
Total Project Costs.....	<hr/>
	\$9,712,635

Funding

Federal and state grants.....	\$7,545,550
Series A	\$2,500,000
Less: Issuance costs	(75,000)
Funded interest	(162,250)
Net bond proceeds.....	<hr/>
	2,262,750
Total Available Funds.....	<hr/>
	\$9,808,300

RATES AND CHARGES

State and federal grant regulations require that the city establish a system of charges to pay the costs of operation and maintenance of the grant-aided sewerage system. The city currently levies a monthly service charge of \$3 per residential unit. When the secondary treatment plant is completed, sewer rates and charges will be reviewed and revised, if necessary.

Sewer Fund revenues and expenditures are shown in the City Organization and Finances section of this Official Statement. Upon completion of this project, the city expects to pay operation and maintenance costs and fund reserves from service charges, and expects to pay bond service from property taxes.

CITY ORGANIZATION AND FINANCES

Benicia is a general law city, incorporated March 27, 1850. The city was originally incorporated under the California Republic, then reincorporated under state law following California's admission to the union. The city has a council-manager form of government. Four council members and a mayor are elected at large for staggered four-year terms. Other elected officials are the city clerk and city treasurer.

Larry F. Pennell has been the city manager of Benicia since 1973. He is the administrative head of city government, appoints department heads, and prepares the annual budget and compensation plan.

FINANCIAL STATEMENTS

The city is audited annually in accordance with generally accepted accounting principles. Anderson, Smith & Droast Accountants, Incorporated, Fairfield, California, performs the audits. Copies of the city's audits are available upon request from the finance director of the City of Benicia.

The auditor's opinion states that the financial statements fairly present the city's financial position, in accordance with generally accepted accounting principles, with the following exceptions:

"The city has not maintained a record of its general fixed assets, and accordingly a statement of general fixed assets, required by generally accepted accounting principles, is not included in the financial report.

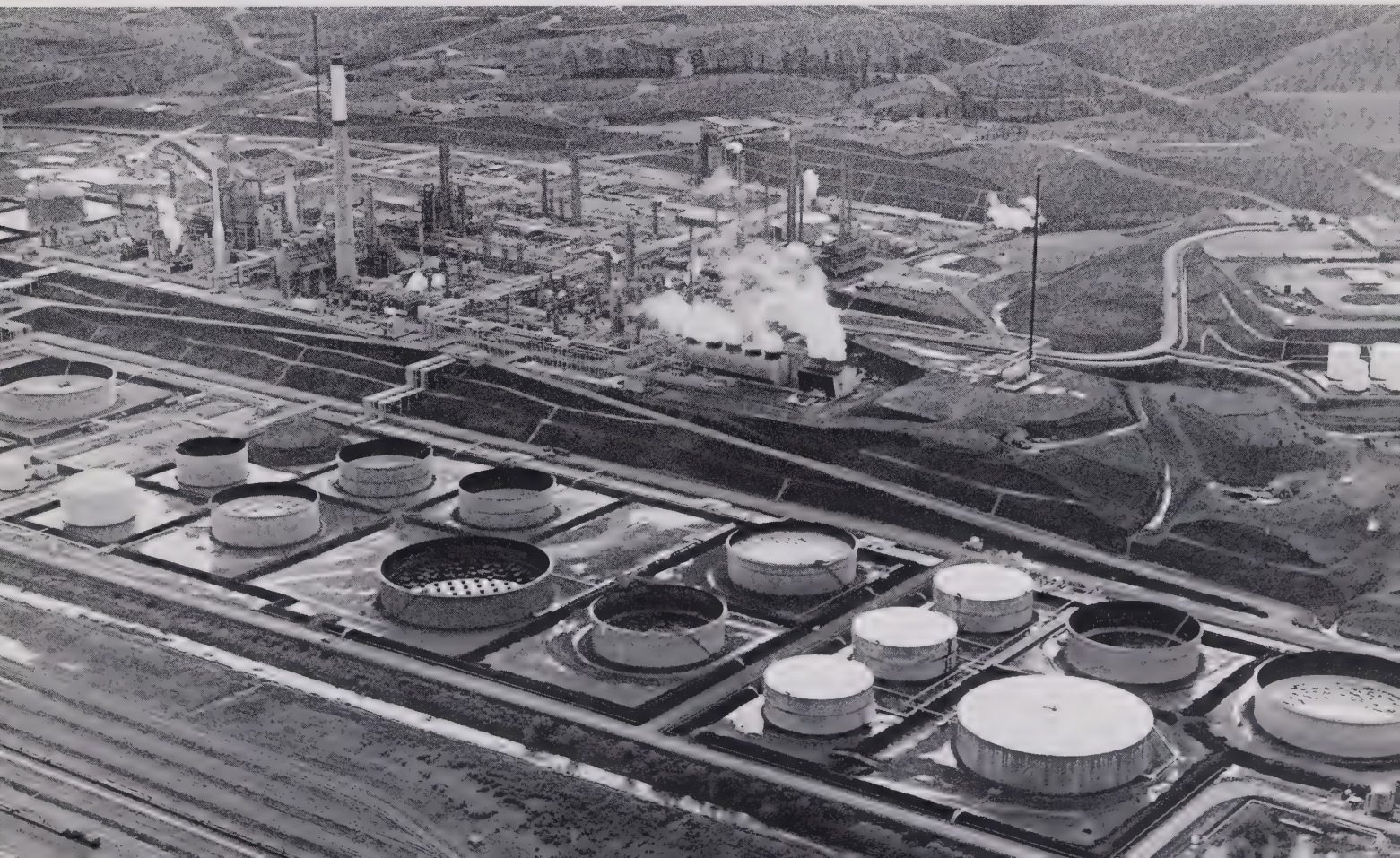
"The financial statements included in this report present a complete set of self-balancing accounts for each fund except for the statement of bonded indebtedness. The latter statement presents the beginning balances, ending balances, and activity during the year, such presentation without a complete set of self-balancing accounts, is not in conformity with generally accepted accounting principles."

The tables summarize fund balances and revenues and expenses of the city's general and sewer funds.

The statement of changes in fund balance for the general fund shows that the balance in that fund has decreased from a high of almost \$1.8 million at the start of 1973/74 to \$28,386 as of the end of 1976/77. Since 1973/74, the city has followed a policy of drawing down its general fund reserve gradually. The table entitled "General Fund Balance Sheet" shows the fund's assets and liabilities for the past three fiscal years.

While the city has been drawing down its general fund reserve, it has been accumulating reserves in its sewer

Exxon Company, USA, Solano County's largest taxpayer, operates a 96,000 barrel-per-day refinery in the Benicia Industrial Park.



fund. The statement of changes in fund balances shows an increase in the sewer fund balance from \$172,000 at the start of 1972/73 to \$484,522 at the end of 1976/77. The table of general fund revenues and expenses shows that in 1976/77 property taxes made up 53 percent of the city's general fund revenues. Other large revenue sources are sales taxes, franchise taxes, and interest. Expenditures for police and fire departments together accounted for 47 percent of general fund expenditures in the same year. Revenues to the sewer fund consist mostly of property taxes and service charges.

The accompanying tables were compiled by Bartle Wells Associates from the city's audits, and have been reviewed by the city finance director for conformance with the audits.

CAPITAL PROJECTS

Benicia has capital projects underway totaling about \$17 million; expenditures on these projects budgeted for 1977/78 are about \$5.2 million. Funding for the projects comes from a combination of state and federal grants (\$9.0 million), loans (\$5.5 million), and local bonds (\$2.5 million).

The city's largest capital project is the \$9.7 million secondary sewage treatment plant. Funding for this project will consist of \$7.5 million from state and federal clean water grants, and the proceeds of the \$2.5 million 1978 Series A sewer bonds. Other capital projects are a municipal marina (\$5 million), street improvements (\$1.72 million), and water distribution and storage improvements (\$900,000). The municipal marina is being financed by

CITY OF BENICIA GENERAL FUND REVENUES AND EXPENDITURES

6

	1972/73	1973/74	1974/75	1975/76	1976/77	Budget 1977/78
Revenues						
Property taxes	\$1,063,699	\$ 968,558	\$ 977,208	\$1,118,263	\$1,376,798	\$1,230,893
Sales taxes	119,401	130,896	196,020	207,034	246,901	349,000
Franchise taxes	72,501	89,804	103,299	164,560	193,530	220,000
Other taxes	24,667	26,320	27,664	32,631	30,915	32,550
Licenses and permits	60,582	75,869	69,884	90,613	126,422	80,400
Fines	5,039	4,066	79,600	32,355	32,454	21,400
Interest	70,245	126,449	153,812	63,639	41,846	42,000
Motor vehicle in-lieu tax	68,988	89,942	90,276	110,462	124,320	127,200
Revenue from other agencies	14,942	16,777	17,750	61,031	105,796	165,560
Charges for current services	57,435	62,737	6,560	33,397	67,696	53,750
Other revenue	30,800	25,610	39,097	40,207	228,109	10,800
Total Revenue	\$1,588,302	\$1,617,029	\$1,761,170	\$1,954,192	\$2,574,787	\$2,233,153
Expenditures						
City council	\$ 22,913	\$ 22,551	\$ 30,358	\$ 34,583	\$ 56,873	\$ 48,150
City clerk	25,577	29,819	32,864	46,774	39,961	50,714
Finance department	37,039	40,750	39,758	36,463	105,712	84,179
City treasurer	1,850	2,322	2,066	2,283	2,572	2,580
City attorney	33,394	51,178	23,953	17,775	45,443	28,200
Building maintenance	60,099	36,286	55,324	56,540	87,782	95,236
City manager	21,718	35,351	38,001	43,741	49,115	49,053
Nondepartmental	136,041	157,970	236,442	284,916	480,378	511,050
Other general government	15,037	16,832	16,699	20,428	24,951	3,700
Police department	372,144	404,155	495,515	627,373	697,292	748,923
Fire department	257,023	329,702	386,984	459,804	523,511	493,909
Public works	287,378	489,781	266,003	319,201	432,753	483,371
Planning commission	20,299	30,443	71,959	37,369	48,221	51,250
Total Expenditures	\$1,290,513	\$1,647,141	\$1,695,925	\$1,987,250	\$2,594,564	\$2,650,315

Source: Information in this table for the years 1972/73 through 1976/77 has been developed by Bartle Wells Associates from financial reports of the issuer audited by Anderson, Smith, and Droast. Complete copies of the audited financial reports are available from the issuer upon request.

a loan from the California Department of Navigation and Ocean Development. Funding for the street improvements is being provided by a grant from the U.S. Economic Development Administration (EDA) under the

Public Works Employment Act of 1976. The water system improvements are being financed from equal parts of grant and loan under the EDA's Emergency Drought Relief Program.

CITY OF BENICIA GENERAL FUND BALANCE SHEET

	June 30, 1975	June 30, 1976	June 30, 1977
Assets			
Cash	\$591,022	\$180,449	\$72,260
Petty cash	250	350	250
Accounts receivable	6,066	4,980	—
Due from other funds	—	—	12,000
Inventory—supplies	2,769	—	—
Total	\$600,107	\$185,779	\$84,510
Liabilities, Reserves, Fund Balance			
Accounts payable	\$ —	\$ 935	\$ —
Due to other funds	—	—	46,578
Reserve for encumbrance	24,348	31,695	9,546
Reserve for inventory—supplies	2,769	—	—
Fund balances	572,990	153,149	28,386
Total	\$600,107	\$185,779	\$84,510

7

Source: This table has been developed by Bartle Wells Associates from financial reports of the issuer audited by Anderson, Smith, and Droast. Complete copies of the audited financial reports are available from the issuer upon request.

CITY OF BENICIA GENERAL AND SEWER FUNDS STATEMENT OF CHANGES IN FUND BALANCES

Year	Fund Balance July 1	Increases		Decreases		Fund Balance June 30
		Revenues	Transfers	Expenditures	Transfers	
General Fund						
1972/73.....	\$1,497,346	\$1,588,302	\$ 5	\$1,290,513	\$ 3,314	\$1,791,827
1973/74.....	1,791,827	1,617,029	234,329	1,672,229	991,000	979,955 ^①
1974/75.....	966,308 ^①	1,761,170	84,684	1,695,925	543,247	572,990
1975/76.....	572,990	1,963,123 ^②	196,993	1,987,250	592,707	153,149
1976/77.....	153,149	2,574,787	17,176	2,594,564	122,162	28,386
Sewer Fund						
1972/73.....	\$ 172,310	\$ 112,392	\$ 1,500	\$ 85,713	\$ —	\$ 200,489
1973/74.....	200,489	148,117	26,000	100,727	34,929	238,950 ^①
1974/75.....	234,212 ^①	296,036	—	128,126	40,000	362,123
1975/76.....	362,123	256,466	544	194,734 ^③	65,471	358,928
1976/77.....	358,928	362,673	1,270	238,349	—	484,522

① Adjusted in 1974/75 audit.

② Includes reserve for encumbrances of \$8,931 cancelled.

③ Includes encumbrances of \$1,271.

Source: This table has been developed by Bartle Wells Associates from financial reports of the issuer audited by Anderson, Smith, and Droast. Complete copies of the audited financial reports are available from the issuer upon request.



The entire City of Benicia to the right, with the outskirts of Vallejo on the left. Landmarks in Benicia include the Exxon Refinery, Southampton housing development, and the industrial park and port.



**CITY OF BENICIA
SEWER FUND
REVENUES AND EXPENDITURES**

	1972/73	1973/74	1974/75	1975/76	1976/77
Revenues					
Taxes	\$ 42,833	\$ 60,078	\$185,761	\$171,554	\$ 46,875
Special assessments	319	316	306	358	160
Service charges	69,240	87,723 ^①	109,969	84,554	289,536
CETA funds	—	—	—	—	26,102
Total	\$112,392	\$148,117	\$296,036	\$256,466	\$362,673
Expenditures					
Salaries and benefits	\$ 38,819	\$ 42,897	\$ 56,064	\$ 74,774	\$115,313
Contractual services	9,154	1,370	4,006	3,562	6,275
Utilities	8,211	8,776	9,936	13,374	22,892
Supplies	13,199	9,157	11,447	15,303	13,944
Operating supplies	6,434	5,849	15,435	21,163	34,193
Administration charges	3,000	999	—	—	19,392
Capital outlay	5,800	5,155	22,872	53,409	5,449
Other expenses	1,096	6,192 ^②	8,365 ^③	11,868 ^④	11,140
Reserve for prior year encumbrances	—	20,335	—	—	—
Billing and collection service	—	—	—	—	9,695
Total	\$ 85,713	\$100,727	\$128,126	\$193,463	\$238,293

① Includes \$555 miscellaneous reimbursement.

② Includes \$5,875 for vehicle maintenance and replacement.

③ Includes \$7,453 for equipment rental.

④ Includes \$8,705 for equipment rental.

Source: This table has been developed by Bartle Wells Associates from financial reports of the issuer audited by Anderson, Smith, and Droast. Complete copies of the audited financial reports are available from the issuer upon request.

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EMPLOYEE RELATIONS

Benicia's municipal employees are represented by three employee organizations. The adjacent table lists the unions and expiration dates of current agreements.

The city's total salary and benefit expense in 1976/77 was \$2,369,100. This amount included approximately \$120,000 in paid absences and \$401,000 in city contributions to retirement, insurance, and medical plans. The city's liability for accrued but unused vacation, sick leave, and holidays was \$35,000 as of June 30, 1977.

PENSION OBLIGATIONS

The city covers its permanent employees under the Public Employees Retirement System (PERS) of the State of California. Pension costs are funded by monthly contributions to PERS by the city and the employee.

PERS is a statewide system operated pursuant to state statute. The system has approximately 900 agency accounts. Detailed public disclosure of investments, including an annual audit, is required by law. State law also requires that PERS undergo actuarial review not less often than every fourth year. The last such review was conducted for the four-year period ending June 30, 1973, by Actuarial Systems, Inc., independent actuaries and

**CITY OF BENICIA
SUMMARY OF EMPLOYEE RELATIONS**

Employees		Union	Term of Agreement
Number	Class		
25	Police	Benicia Police Benefit Association	June 30, 1980
18	Fire	Benicia Fire Fighters Local 1610	June 30, 1979
45	Other city employees	Benicia City Employees' Association	June 30, 1978

consultants. The actuary also made actuarial valuations of the system as of June 30, 1973, and June 30, 1974, and identified substantial "unfunded supplemental liabilities" in the state system. Notwithstanding the generally adverse actuarial experience realized during the review period, the actuary concluded that PERS was fiscally sound. An actuarial review of subsequent years' experience is currently in process. Additional information about PERS may be obtained from the system's office at 1416 Ninth Street, Sacramento, California 95814.

ASSESSED VALUATION

The Solano County Assessor assesses all property within the city except utility property, which is assessed by the State Board of Equalization. State law requires that all property subject to general property taxation be assessed at 25 percent of market value. The State Board of Equalization reports that in 1977/78, property in Solano County is assessed at 24.1 percent of market value. Utility property is assessed at 25 percent of market value. Under California law, 50 percent of the assessed valuation of business inventories is exempt from taxation. Owner-occupied dwelling units also have a current tax exemption of \$7,000 of their full cash value, which is equivalent to \$1,750 of assessed valuation. Revenues lost to taxing agencies due to these exemptions are fully reimbursed by a state subvention.

The accompanying tables show a six-year history of Benicia's assessed valuation, and a detailed breakdown of the current year's value. All assessed valuations shown

include homeowner and business inventory exemptions. Over the six-year period shown, the city's assessed valuation has increased at an annually compounded rate of 12.8 percent per year. The 1977/78 assessed valuation is 22.5 percent higher than that of 1976/77.

TAX RATES AND LIMITATIONS

The accompanying table shows detail of Benicia's tax rate since 1973/74. Seven city funds receive property tax revenue, with the largest portion going to the General Fund.

The city's 1977/78 tax rate is \$1.75 per \$100 of assessed valuation. Section 2201 ff. of the California Revenue and Taxation Code limits the tax rate of any agency to the rate levied in 1971/72 or 1972/73, except where enabling legislation sets a specific rate limitation. Tax rates may be increased by majority approval of the voters or may be automatically increased annually based on a combination of growth in population and the California Price Index. Benicia's maximum tax rate under Section

CITY OF BENICIA ASSESSED VALUATION HISTORY

Fiscal Year	Total Assessed Valuation*	Percent Increase
1972/73.....	\$ 72,522,874	—%
1973/74.....	72,365,656	— 0.22
1974/75.....	81,600,991	12.76
1975/76.....	93,222,037	14.24
1976/77.....	107,938,761	15.79
1977/78.....	132,247,300	22.52

* Includes value of homeowners' and business inventory exemptions.

Source: Solano County Auditor-Controller.

CITY OF BENICIA DETAIL OF CITY TAX RATE

	1973/ 74	1974/ 75	1975/ 76	1976/ 77	1977/ 78
General Fund	\$1.299	\$1.226	\$1.145	\$1.288	\$1.040
Library Fund	0.052	0.070	0.063	0.058	0.060
Park Fund	0.256	0.199	0.241	0.261	0.145
Recreation Fund ..	0.136	0.119	0.169	0.139	0.125
Sewer Fund	0.085	0.260	0.161	0.026	0.045
Pension Fund	0.187	0.123	0.168	0.180	0.295
Bond Fund	0.075	0.053	0.053	0.048	0.040
Total	\$2.090	\$2.050	\$2.000	\$2.000	\$1.750

CITY OF BENICIA DETAIL OF 1977/78 ASSESSED VALUATION

	Local Secured	State Assessed	Unsecured	Total
Land	\$ 15,935,025	\$ 98,730	\$ 157,500	\$ 16,191,255
Improvements	88,843,700	1,365,360	753,134	90,962,194
Personal property	11,517,284	1,007,500	12,981,517	25,506,301
Exemptions	(412,450)	—	—	(412,450)
Total	\$115,883,559	\$2,471,590	\$13,982,151	\$132,247,300
Reimbursable Exemptions*				
Homeowners	\$ 4,411,750	\$ —	\$ —	\$ 4,411,750
Business inventory	4,772,093	—	4,624,657	9,396,750

* Included in above totals.

Source: Solano County Auditor-Controller.

2201 is \$2.55 per \$100 of assessed valuation. Tax rate levies for general obligation bonds are not restricted.

There are seven tax rate areas in the City of Benicia, with total combined tax rates ranging from \$9.1672 to \$10.7840 per \$100. The accompanying table shows the breakdown of the \$9.1672 tax rate which applies in five of the seven tax rate areas.

CITY OF BENICIA

TOTAL 1977/78 TAX RATE PER \$100

TAX RATE AREA 01000

General county	\$2.6625
Other county	0.1477
City of Benicia	1.7500
Schools	4.4148
Mosquito abatement	0.0427
Solano County flood control	0.1300
Bay Area Air Pollution Control	0.0195
Total Tax Rate	\$9.1672

Source: Solano County Tax Collector.

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PROPERTY TAX LIMITATION INITIATIVE

An initiative constitutional amendment commonly known as the "Jarvis Initiative," providing for, among other things, certain property tax limitations, will appear on the statewide ballot in June 1978. The office of the California Attorney General, in accordance with state law, has provided the following summary of the Jarvis Initiative to the California Secretary of State.

PROPERTY TAX LIMITATION INITIATIVE CONSTITUTIONAL AMENDMENT. Limits ad valorem taxes on real property to 1 percent of value except to pay indebtedness previously approved by voters. Establishes 1975/76 assessed valuation as base of property for tax purposes. Limits annual increases in value. Provides for reassessment after sale, transfer or construction. Requires two-thirds vote of Legislature to enact any changes in state taxes designed to increase revenues. Prohibits imposition by state of new ad valorem, sales, or transaction taxes on real property. Financial Impact: Would result in the loss of local property tax revenues of \$7 to \$8 billion annually and a reduction in state costs of about \$700 million in 1978/79 and \$800 million thereafter.

The initiative does not set forth what law is to be used to apportion the 1 percent tax among overlapping taxing jurisdictions, and no formula for such apportionment has been proposed. If approved, the initiative will have significant impact on the taxing powers of local government and, because of the lack of enabling legislation,

will not permit an early assessment of the impact on any one agency.

The city can neither predict whether or not the Jarvis Initiative will be approved by the voters nor can it predict whether or not the validity of the initiative will, if thereafter challenged, be upheld, in whole or in part, by the courts. If the measure is adopted, ad valorem real property tax revenues of the city would be sharply reduced.

The initiative exempts from the 1 percent limit ad valorem taxes to pay principal and interest on previously authorized general obligation bonds. Thus, the initiative would not restrict the levy of ad valorem taxes for the 1978 Sewer Bonds, but the reversion to 1975/76 assessed valuations would reduce the valuation of property subject to taxation.

TAX LEVIES AND DELINQUENCIES

The accompanying table shows Benicia's secured tax levy for each of the past six years. The table also includes the dollar amount and percent delinquent as of June 30 of each year. Benicia's tax delinquencies have been less than 2 percent in the five years shown.

In accordance with the California Revenue and Taxation Code, the Solano County tax collector collects secured tax levies for each fiscal year. One-half of the tax levy is due November 1, and becomes delinquent December 10; the second installment is due February 1, and becomes delinquent April 10. A 6 percent penalty is added to any late installment. On June 30, delinquent properties are sold to the state.

CITY OF BENICIA

SECURED TAX LEVIES AND DELINQUENCIES

Fiscal Year	Secured Tax Levy	Delinquent as of June 30	Percent
1972/73	\$1,318,402	\$12,275	0.93%
1973/74	1,242,318	10,479	0.84
1974/75	1,342,564	20,882	1.56
1975/76	1,473,376	20,947	1.43
1976/77	1,713,922	4,930	0.29
1977/78	1,909,093	—	—

Source: Solano County Auditor-Controller.

Property owners may redeem property upon payment of delinquent taxes and penalties. Properties sold to the state incur a redemption penalty of 1 percent per month of the taxes due.

Properties may be redeemed under an installment plan by paying current taxes, plus 20 percent of delinquent

taxes for five years. Interest accrues at one-half of one percent per month on the unpaid balance.

If no payments have been made on delinquent taxes at the end of five fiscal years, the property is deeded to the state. Such properties may thereafter be conveyed to the county tax collector as provided by law.

Under the California Revenue and Taxation Code, counties may remit the full tax levy to taxing units regardless of delinquencies. This option, called the Teeter Plan, places the burden for eventual collection of delinquent taxes on the county, not on taxing units within the county. A special reserve fund accumulated from delinquent penalties and gains from tax sales is intended to protect the county's cash position. Solano County has followed this practice since 1972/73 and the city has, therefore, collected 100 percent of its taxes levied since that time. Countywide delinquencies have ranged from 2.0 to 3.1 percent throughout the past 10 years. Use of the Teeter Plan can be revoked at any time by vote of the affected local agencies.

LARGEST TAXPAYERS

The largest taxpayer in Solano County is the petroleum refinery in Benicia owned and operated by Exxon Company, USA. The refinery accounts for about 65 percent of Benicia's assessed valuation and pays a total of

over \$6 million in property taxes to entities in Solano County. The 10 largest taxpayers in Benicia, and their 1977/78 tax charges, are shown in the accompanying table. The tax charges shown are the total for each taxpayer, and include payments to Solano County and other taxing entities, as well as to the City of Benicia.

CITY OF BENICIA TEN LARGEST TAXPAYERS

	1977/78 Tax Charge*
Exxon	\$6,063,692
Ace Hardware	123,250
Benicia Industries	61,646
Owens Illinois	37,190
Benicia Imports (Toyota).....	24,176
Short Stop	18,953
Olin Corporation	7,094
Wezdon Leather	5,064
Allied Products	2,374
Allied Marketing	2,009

* Total taxes paid to all applicable taxing entities, including the City of Benicia.

Source: Solano County Auditor-Controller.

CITY OF BENICIA DIRECT AND OVERLAPPING BONDED DEBT

	Percent Applicable	Debt March 21, 1978
Solano County	16.187%	\$ 1,076,436
Solano County Joint Community College District	17.125	1,858,063
Benicia Unified School District.....	97.209	4,826,427
City of Benicia.....	100.	2,945,000 ^①
City of Benicia 1915 Act Bonds.....	100.	221,780
Benicia Municipal Water Facilities Improvement District No. 1.....	100.	4,245,000
Total Gross Direct and Overlapping Bonded Debt.....		\$15,172,706
Less: Benicia Municipal Water Facilities Improvement District No. 1 (100% self-supporting)		4,245,000
Total Net Direct and Overlapping Bonded Debt.....		\$10,927,706

	Ratio to	
	1977/78 Assessed Valuation \$132,247,300	Estimated Market Value \$547,400,000 ^②
Direct debt (\$2,945,000).....	2.23%	0.54%
Total gross debt (\$15,172,706).....	11.47	2.77
Total net debt (\$10,927,706).....	8.26	2.00
		Population 11,500
		\$ 256.09
		1,319.37
		950.24

① Includes \$2,500,000 to be sold May 9, 1978; excludes \$1,075,000 water revenue bonds.

② The State Board of Equalization reports that 1977/78 Solano County valuations average 24.1 percent of market value. Public utility property (\$2,471,591) used for utility operations is assessed by the state at 25 percent of market value.

Source: Compiled in cooperation with California Municipal Statistics, Inc.

ECONOMY OF THE REGION

LOCATION

The City of Benicia includes about 10.5 square miles in the southwest part of Solano County. It is on the Carquinez Strait, about seven miles east of where the strait empties into San Pablo and San Francisco Bays.

To the immediate east of Benicia are Suisun Bay and a delta area created by the confluence of the Sacramento and San Joaquin Rivers. Benicia is adjacent to Interstates 680 and 780, and is about 35 miles north and east of San Francisco.

The city's climate is mild, with a mean annual temperature slightly less than 60 degrees, and an average rainfall of about 18 inches. Practically all of the rainfall occurs during the winter months.

For a brief time in the 1850's Benicia was California's state capital. The state's oldest capitol building still stands in Benicia, and the city has other historic buildings. For many years the city's largest industry was the Benicia Military Arsenal, now the site of the Benicia Industrial Park and the Port of Benicia.

Within the industrial park are several historic buildings including the first military hospital, the first stone fortress in the west, the commandant's home, and the camel barns used briefly to stable a herd of camels imported by the U.S. Army for a brief experiment in American desert transportation.

POPULATION

The California Department of Finance estimates that Benicia's population in 1977 was 11,500, up about 54

percent since the 1970 U. S. Census. Annual growth during that period has been fairly uniform, averaging about 6.4 percent a year, compounded annually. Benicia's population has increased at a faster rate than Solano County as a whole, the latter having grown in population about 2 percent a year since 1970, according to a Department of Finance estimate.

The accompanying table shows population statistics for Benicia and Solano County since 1940.

**BENICIA, SOLANO COUNTY
POPULATION**

Year	Benicia		Solano County	
	Total Population	Percent Increase (Decrease)	Total Population	Percent Increase
1940	2,419	—	49,118	—
1950	7,284	201%	104,833	113%
1960	6,070	(17)	134,497	28
1970	7,349	21	171,989	28
1975	10,450	42	184,400	7
1976	11,000	5	191,400	4
1977	11,500	5	197,500	3

Source: U.S. Census and California Department of Finance.

This pier is associated with Benicia Industrial Park, to the left in the photo. The pier accommodates vessels with up to 38-foot draft. Imported cars come in through the port, and petroleum products are exported.



INCOME

The California Department of Finance estimates per capita personal income in Solano County at \$5,774 in 1975, the latest available estimate. According to Solano County 1975 Census, 57 percent of responding households in the City of Benicia, and 49 percent in Solano County, had incomes of \$12,000 or more in 1974. Over 36 percent of households within the city and 48 percent of households within the county did not respond to questions on income.

SALES & MARKETING MANAGEMENT magazine's annual survey of buying power reported that the median household in Solano County had an effective buying income of just over \$12,000 in 1975. Effective buying income is that remaining after withholding taxes and Social Security deduction. The EBI for Solano County is slightly less than that reported for the Vallejo-Fairfield-Napa SMSA, which includes all of Solano and Napa counties.

VALLEJO-FAIRFIELD-NAPA SMSA AND SOLANO COUNTY EFFECTIVE BUYING INCOME (EBI)—1975

Area	Total EBI	Median Household EBI
Solano County	\$ 868,462,000	\$12,169
Vallejo-Fairfield-Napa SMSA ...	\$1,313,896,000	12,266

Source: Sales & Marketing Management Survey of Buying Power, 1975. EBI is income remaining after withholding taxes and Social Security deductions.

EMPLOYMENT

Solano County's 1975 Census reported information on occupation and place of employment of principal wage earners in the county's households. In both Benicia and Solano County, professional workers and craft workers were the largest occupational categories. The Census also reported that, in 55 percent of responding households in Benicia, the principal wage earner worked in Benicia, Vallejo, or Mare Island Naval Base. About 21 percent worked in neighboring Contra Costa County, and 16 percent in San Francisco.

The table entitled Employment Data is based on information provided by the California Employment Development Department. It shows that the unemployment rate in the Vallejo-Fairfield-Napa SMSA has been consistently lower than that for the State of California during the last three years.

The Solano County Directory of Manufacturers and Other Major Employers for 1976/77 reports that 14 firms in Benicia employ 50 or more workers. The table on page 16 shows the names of the firms, each firm's number of employees, and its products or service. Most of these firms are located in two industrial parks in Benicia.

The largest single employer is the Exxon Company, USA, which operates a major petroleum refinery in the Benicia Industrial Park.

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INDUSTRIAL DEVELOPMENT

Industries in and around Benicia include food processing, chemical manufacturing, natural gas production, recreational vehicle manufacturing, and container manufacturing. The preceding table lists Benicia's largest industries.

VALLEJO-FAIRFIELD-NAPA SMSA EMPLOYMENT DATA

	1975	1976	1977 ^①	December 1977
Vallejo-Fairfield-Napa SMSA				
Civilian labor force.....	99,600	106,200	112,400	113,400
Employed	93,000	98,700	104,700	106,000
Unemployed	6,600	7,500	7,700	7,400
Unemployment rate	6.6%	7.1%	6.9%	6.5% ^②
State of California				
Civilian labor force.....	9,388,000	9,709,000	10,139,600	10,122,000
Employed	8,462,000	8,820,000	9,305,300	9,422,700
Unemployed	926,000	889,000	834,300	699,300
Unemployment rate	9.9%	9.2%	8.2%	7.3% ^②

^① Preliminary.

^② Seasonally adjusted.

Source: California Employment Development Department.

CITY OF BENICIA LARGER INDUSTRIAL EMPLOYERS

Firm	Number of Employees	Product/Service
Exxon Company, USA.....	350-400.....	Petroleum refining
E. T. Industries, Inc., Subsidiary of Filter Dynamics.....	190.....	Aluminum auto wheels
Ace Hardware Corporation.....	175-200.....	Wholesale hardware
Sperry Systems Management Division.....	157.....	Engineering
Benicia Industries, Inc.	100....	Operators of buildings, nonresidential, port operations, warehousing
U.S. Department of Commerce, Maritime Administration, Western Region, Suisun Bay Reserve Fleet....	96.....	National defense reserve fleet
Unico Industrial Service and Engineering.....	90.....	Mechanical maintenance for petroleum refineries and heavy industry
Benicia Manufacturing Company.....	85.....	Manufacturing and assembly of automobile parts
Loomis Smith Security.....	80-150.....	Security services, installation and maintenance of alarms
International Manufacturing Company.....	80.....	Automobile sport wheels
Berwind Railway Service Company.....	64.....	Repairing, rebuilding, and modifying railroad cars
Benicia Import Auto Service.....	55.....	Automobile servicing, automobile body repair
Solano Contract Warehouse Corporation.....	55....	Contract warehousing, import automobile processing
Automatic Plastic Molding Company.....	50.....	Plastic champagne corks, wine bottle stoppers, miscellaneous plastic products

Source: Solano County Directory of Manufacturers and Other Major Employers, 1976/77.

Benicia Industrial Park. This facility, on 3,000 acres developed and managed by Benicia Industries, Inc., is the largest port-oriented industrial park on the West Coast, according to the developer. About 2¼ million square feet of warehousing and light manufacturing space is now occupied, about 97 percent of the park's developed space.

More than 100 businesses have located in the park since its opening in 1965. Automobiles from Japan constitute a significant portion of imports through the port, according to the Solano County Industrial Development Agency. Petroleum products from the Exxon refinery are the port's only exports. The pier accommodates vessels up to 38-foot draft.

Petroleum Refinery. Exxon Company, USA, operates a 96,000 barrel-per-day refinery located in the City of Benicia. Employment ranges from 350 to 400 people. It is located on 400 acres in the Benicia Industrial Park. The refinery's principal source of crude oil is Alaska, and its principal product lines are jet fuel and automobile gasoline. A major freeway, Interstate 680, a deep-water port on the Carquinez Strait, and Southern Pacific Railroad provide transportation access to the refinery. Exxon markets its products throughout the western United States. This refinery is the largest industry in the Benicia area. It was completed in 1969 at a cost of about \$170 million. Exxon is the city's and the county's largest taxpayer. Five other refineries are located in neighboring Contra Costa County.

Rio Vista Gas Fields. These gas fields produced 52.6 million cubic feet of natural gas in 1975, valued at \$32.5 million. The region is the largest dry gas field in California. Since 1937, when Amerada Hess Company first leased land from Rio Vista landowners, over 2.8 trillion cubic feet of natural gas have been produced. Gas and condensate products are sold to the Pacific Gas & Electric Company (PG&E) which pipes gas under the Sacramento River to the PG&E distribution station in Antioch.

Other Industry. The Solano County Industrial Development Agency reports that, during fiscal 1976/77, 16 new firms located in the two industrial parks in Benicia: the Benicia Industrial Park and the Yuba Industrial Property. The latter is an industrial park of less than 10 acres which is almost fully developed and occupied.

The agency also reports that five industries expanded their operations in these industrial parks. The parks offer access to major interstate freeways, the Southern Pacific Railroad, and to deep-water shipping.

Future Development. The unincorporated community of Collinsville, between Benicia and Rio Vista, is the largest area of undeveloped industrial acreage on the deep water shipping channel, according to the Solano County Industrial Development Agency. Corporations owning property or holding options on land in this area include National Steel Corporation, PG&E, and Southern Pacific Land Company. There are no immediate or specific plans for development.

The Ford Foundation owns about 2,000 acres of land in the Cordelia area north of Benicia. The foundation is not actively developing the area.

Solano County Industrial Development Agency. In 1964 Solano County and the seven cities in the county formed the Solano County Industrial Development Agency to promote balanced economic growth of the county by attracting new industry, assisting existing industry to grow, and working to maintain agriculture as a prime economic activity.

Commercial firms, investors, developers, and local governments rely on the agency for statistics and general information on the area and its economy. The agency publishes a Solano County Facts File, an information folder containing data on many aspects of the county's economy.

The agency participates in the Transportation Council of Solano County. This council helps the California Department of Transportation establish priorities for highway improvements in the county.

The county has delegated to the agency responsibility for administering federal public works grants available under the Public Works and Economic Development Act. In 1976 the agency coordinated EDA Title I and Title II grants totaling over \$4 million. Under this program the City of Benicia received \$1.7 million. The agency also coordinated drought relief grants and loans of \$8.5 million of which Benicia received \$1 million in 1976.

COMMERCIAL ACTIVITY

The accompanying table shows taxable sales in the City of Benicia, and in Solano County, for the years 1972 through 1976. The city's sales represent about 3.7 percent of the total sales in the county. The city has about 5.8 percent of the county's population.

The county's major commercial centers are in the population centers, the cities of Fairfield and Vallejo. The Nut Tree Restaurant complex and satellite services in the Vacaville area are another significant source of taxable

sales in the county. The complex, which includes restaurants, an airport, motels, and other visitor facilities, lies between the San Francisco Bay Area and destinations in Sacramento, the state capital, and in the Sierra Nevada resort areas.

MILITARY INSTALLATIONS

Travis Air Force Base, located in Fairfield, is the largest installation of the Military Airlift Command. The base currently handles an average of 5,300 tons of cargo and 20,000 passengers each month. The passenger terminal facilities have a capacity of over 7,700 passengers per day, and a freight terminal has a cargo capacity of 1,000 tons per day. The base employs about 9,700 military personnel and 2,600 civilians. The civilian payroll was \$46 million for 1976/77.

Travis Air Force Base headquarters the Twenty-Second Air Force, the Pacific arm of the Military Airlift Command. Also headquartered here is the 60th Military Airlift Wing, largest airlift wing in the world, and the only one flying both C-5 Galaxies and C-141 Starlifters. The base is one of three to be assigned the C-5 Galaxy.

The David Grant USAF Medical Center at Travis Air Force Base is the second largest hospital operated by the Air Force. A staff of over 1,100 serves 355 beds, plus 200 beds in the Aeromedical Staging Facility.

Mare Island is a small island across a narrow strait from the City of Vallejo. Since the first vessel was launched in 1857, the yard has built over 500 ships, repaired and returned to action hundreds of vessels, and has built 17 nuclear submarines.

During World War II civilian and military employment at Mare Island reached a peak of 41,000. Employment in 1976 was 11,184 civilians and 4,574 military.

AGRICULTURE

In 1976, agricultural production in Solano County had a gross value of over \$100 million. The accompanying table summarizes crop values and acreages in 1977. Four

CITY OF BENICIA
TAXABLE RETAIL SALES, 1972-1976

	1972	1973	1974	1975	1976
Retail Stores					
Total sales tax permits.....	\$5,804,000	\$ 7,225,000	\$10,661,000	\$12,073,000	\$14,609,000
Total taxable transactions.....	72	76	74	82	88
All Outlets					
Total sales tax permits.....	\$9,668,000	\$11,245,000	\$15,277,000	\$17,070,000	\$20,763,000
Total taxable transactions.....	192	200	209	233	256

Source: California State Board of Equalization.

SOLANO COUNTY AGRICULTURAL CROP REPORT SUMMARY—1977

Type of Crop	Gross Value	Land Acreage
Fruit and nut crops.....	\$ 11,676,100	18,063
Truck crops	32,552,300	23,305
Field crops	43,710,700	119,207
Animal production	10,616,900	174,200
Seed crops	1,639,400	3,113
Totals	\$100,195,400	337,888

Source: Solano County Department of Agriculture.

individual crops had values over \$5 million: tomatoes (\$29.6 million), sugar beets (\$14.7 million), field corn (\$8.4 million), wheat (\$5.7 million). These four crops accounted for 58 percent of the gross agricultural value and 28 percent of agricultural acreage.

FOOD PROCESSING

18 Anheuser-Busch, Inc., opened a \$100 million brewery in Fairfield in 1976. Other food manufacturers in Solano County include American Home Foods, Inc., Basic Vegetable Products, Inc., Armour & Company, General Mills, Inc., and a number of smaller food processors and packers.

AGRICULTURAL RESEARCH

The Davis campus of the University of California sits astride the Yolo-Solano county line at the northeast corner of Solano County. Originally a university farm,

the campus developed into a four-year agricultural college in the 1920's, and has since expanded into other fields, including engineering, law, medicine, and veterinary medicine.

Areas of continuing research include transportation of fresh crops, effects of climate on animals, agricultural toxicology, ecology, oenology, and primate biology.

CONSTRUCTION ACTIVITY

In mid-1977, the California Employment Development Department released its Annual Planning Report on the Vallejo-Fairfield-Napa SMSA. With regard to construction the report stated in part: "If home-loan conditions remain generally favorable (with available mortgage funds and stable interest rates), residential construction will continue to be strong in 1977 and 1978, in response to the moderately expanding population and persistently tight housing supply existing in a number of communities. Although nonresidential construction will not regain the level of activity it reached in 1975, the outlook is nonetheless favorable.

City of Benicia. The accompanying table shows building activity in Benicia for the past six years.

The largest housing development in Benicia is Southampton, a project of the Southampton Company. The development site extends west from the older part of the city, and is north of Interstate 780, the freeway connecting Benicia with Vallejo and Interstate 80.

Southampton Company sold about 200 single-family residences in 1976, and another 230 in 1977. Development in 1978 will keep pace with market demand. The company has about 1,500 acres within the city limits available for development.

The company reports that a typical single-family residence in the 1,300 to 2,500 square-foot range sells for

CITY OF BENICIA BUILDING ACTIVITY, 1972-1977

	1972	1973	1974	1975	1976	1977
Building Permits Issued						
Single-family	174	279	98	281	355	405
Multi-family	90	182	—	—	7	17
Non-residential	—	—	—	—	—	138
Building Valuation (\$000)						
Residential	\$5,126	\$10,543	\$3,491	\$ 8,971	\$16,003	\$16,795
Commercial	211	155	147	553	547	—
Industrial	95	152	778	1,002	412	—
Other non-residential	314	639	2,896	400	1,020	2,110
Total	\$5,746	\$11,489	\$7,312	\$10,926	\$17,982	\$18,905

Source: Security Pacific National Bank (1972 through 1976), City of Benicia (1977).

SOLANO COUNTY BUILDING PERMITS AND VALUATION

	1972	1973	1974	1975	1976
Total Building Valuation (\$000)	\$68,418	\$93,384	\$156,651	\$111,849	\$139,056
Residential	55,664	74,473	28,716	74,892	110,623
Commercial	6,074	8,288	2,835	6,252	10,013
Industrial	2,254	2,764	82,998	16,890	11,338
Residential Dwelling Units					
Single family	2,024	2,532	847	1,972	3,032
Multiple family	928	1,000	32	495	142

Source: Security Pacific National Bank.

\$85,000. Townhouses in the 1,150 to 1,400 square-foot range sell for \$52,000 to \$62,000.

Southampton completed 169 apartment units in 1977 and expects to complete 103 townhouses in 1978. The company has sites for another 200 townhouses.

The development includes an eight-acre park soon to be completed on land dedicated to the city, and the company has dedicated 170 acres of open space to the city. A neighborhood shopping center site has been set aside for future development.

Public Works Construction. Benicia has a number of public works projects under construction or in the final planning stage. The California Department of Transportation expects to start construction soon on freeway access ramps on I-680 and I-780, according to information released by the Solano County Industrial Development Agency. The estimated cost is \$2.4 million. These ramps will improve access to the Benicia Industrial Park and to the growing Southampton residential area.

In November 1977, the city awarded a construction contract for a \$5 million small boat marina. The city also expects to have the \$9.7 million sewage treatment plant project described in this Official Statement under construction shortly.

Solano County. The above table summarizes building permits issued in the past five years. Residential development has accounted for the largest percentage of construction in the county except for 1974, when Anheuser-Busch, Inc. and Ball Metal Container took out building permits.

Residential permits were issued for 3,032 single-family dwellings during 1976. About 950 units were in Vacaville, 600 were in Suisun City, and 570 were in Fairfield. Vacaville led the county in 1976 in commercial and industrial permit valuation with about half of the total valuation.

TRANSPORTATION

The City of Benicia has access to highways, railroads, and shipping lanes.

Benicia is adjacent to Interstate 680 and Interstate 780, major Bay Area freeway links. I-780 extends east about seven miles to the City of Vallejo where it joins Interstate 80. I-680 extends north about 12 miles where it joins I-80 between Vallejo and Fairfield. I-80 is a major transcontinental highway. I-505 branches north from I-80 near Vacaville, and joins I-5 to the Pacific Northwest.

Benicia is also situated at the north end of the Benicia-Martinez Bridge on I-680, a major highway crossing of the Carquinez Strait. A railroad bridge crosses the strait adjacent to the highway bridge.

Benicia is only a few miles upstream from another major highway bridge across the strait at Vallejo, the Carquinez Bridge on I-80. These bridges and freeways provide access to Benicia for motor freight lines as well as passenger vehicles.

Southern Pacific's railroad crosses the county with its main line generally paralleling I-80, and trunk lines running from Vallejo north into adjoining counties. Western Pacific Railroad Company has connecting tracks from Fairfield to Sacramento and serves Benicia and other industrial parks. Benicia is also only a few miles from the eastern terminus of the Bay Area Rapid Transit District's system, which provides rail transportation for commuters throughout the East Bay area and to San Francisco.

The Port of Benicia is the largest port facility in Solano County. It has a 2,400-foot pier that can handle ships with up to 38-foot draft. It is less than two hour's steaming time from the Golden Gate.

The Nut Tree County Airport at Vacaville has an estimated capacity for 68,000 flight operations per year on a 3,800-foot runway. Airport traffic consists of business and privately owned aircraft.

The Association of Bay Area Governments (ABAG) has adopted a plan for use of Travis Air Force Base jointly by the Air Force and Solano County. The volume of prospective civilian air traffic, however, has not yet attracted commercial airline interest.

HIGHER EDUCATION

Solano Community College is a two-year college located near Fairfield. It serves all of Solano County except Winters, Davis, and River Delta school districts.

The campus of the University of California at Davis is partially within Solano County.

The California Maritime Academy at Vallejo is the only marine academy on the west coast, and one of five in the nation. Currently about 325 students are enrolled in a four-year program leading to an accredited degree in either Nautical Science or Marine Engineering. The Academy is funded by the state and the Federal Maritime Administration.

FINANCE

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Statewide banks maintain 22 branch offices in Solano County. Bank of America N.T.&S.A. has 13 branches with combined deposits of \$218,201,000 as of June 30, 1976. Crocker National Bank has two branches; Wells Fargo Bank has three; and Lloyds Bank of California, Redwood National Bank, Security National Bank, and United California Bank, each have one branch. Four locally-based independent banks operate within the county: Bank of Fairfield; Bank of Rio Vista; The First National Bank of Dixon; and Vaca Valley Bank. Total commercial bank deposits in the county were \$426,695,000 as of June 30, 1976.

Nine savings and loan associations have 13 offices in the county with total savings deposits of \$226,470,000.

UTILITIES

Solano County is served by Pacific Gas & Electric Company, the nation's largest gas and electric utility company. The Vaca-Dixon substation north of Vacaville connects to the 500 KV interstate tie line and is one of PG&E's largest electric substations.

PG&E also supplies natural gas through a network of distribution lines in Solano County. A 36-inch main from Canada, with a capacity of one billion cubic feet per day, runs through Solano County. The Rio Vista gas fields produce about 15 percent of the state's natural gas. Output is sold to PG&E.

Pacific Telephone served about 134,000 telephones in the county as of August 1976. About 50 percent are in the Vallejo-Benicia area, and 30 percent in the Fairfield-Suisun area. Citizens Utility Company of California provides telephone service for the southeast portion of the county, including Rio Vista.

WATER SUPPLY

Water supply in Solano County is derived from ground water, the Sacramento River, Putah Creek, and other sources. The county has planned for long-term needs for industrial and municipal water through agreements with the U.S. Bureau of Reclamation (USBR) and the California State Department of Water Resources. The Solano Project of the USBR includes Monticello Dam and Lake Berryessa in Napa County, and the Putah South Canal. The canal delivers water from Lake Berryessa through the north-central section of Solano County and westward to a terminal reservoir in Green Valley near Cordelia. Lake Berryessa has a storage capacity of 1,600,000 acre-feet.

The Solano County Flood Control and Water Conservation District contracts with the State Department of Water Resources for a maximum entitlement of 42,000 acre-feet of water per year. The department is planning for the North Bay Aqueduct, a part of the State Water Project which will pass through the center of the county, to serve Vacaville, Fairfield, Suisun, and Benicia. Water is expected to be available from the Sacramento sloughs by 1980. These supplies of water are projected to meet the county's needs to the end of this century.

All cities in the county maintain water treatment and distribution systems adequate to serve their surrounding areas. Fairfield has constructed new storage facilities and water and sewage treatment plants to supply capacity for Anheuser-Busch, Inc. and other future development.

RECREATION

Duck hunting in the southern county marshlands, fishing in the Sacramento River and its tributaries, golf at seven courses in the county, and sailing in San Pablo Bay are among the outdoor sports enjoyed in Solano County.

Boating is very popular on the Delta waterways. Lake Berryessa, in Napa County, is a man-made lake 25 miles long and 3 miles wide. Swimming, boating, fishing, horseback riding, and camping facilities are provided by several resorts operating at the lake.

Suisun Marsh is a large semi-fresh water marsh of approximately 52,000 acres surrounding Suisun Bay. About 200 duck clubs are located in the marsh. Ducks, geese, and some pheasants are hunted, but herons, egrets, and other shore fowl are protected.

Lake Solano Park is located on the northern border of Solano County adjacent to Yolo County. It is a public campground where swimming, fishing, and boating are available.

Within a one- to two-hour drive, Solano County residents have access to the Napa/Sonoma wine country, the San Francisco Bay Area, and the historical gold rush country to the east. Thirty-two California State Parks and 16 State Beaches are within 50 miles of Solano County. Lake Tahoe and other Sierra resorts are within a three-hour drive from Solano County.

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